

Effective: 7/1/91
Amended effective: 4/18/94
Amended effective: 3/1/05
Amended effective: 8/23/07
Amended effective:

Vermont
Public Service Board

Rule 8.000
Page 1 of 5

8.000 CABLE TELEVISION

8.213 Hearings

The Board shall set petitions relating to applications for certificates of public good for hearing (if a hearing is required under 30 V.S.A. § 231) within a reasonable time. If hearings are held, at least one hearing shall be held in the county of the proposed service area to afford opportunity for public comment.

8.313 Policy on Expansion into Unserved Areas

Each cable company shall file a statement of the company's policy on expansions of service into unserved areas as a tariff for the Board's approval. Each such policy must at a minimum conform to the provisions of this section.

- (A) If a policy on expansion into unserved areas requires contributions in aid of construction, then that policy shall also allow for the rebating or reallocation of such contributions among original and new subscribers. Whenever more than one customer is connected to a customer-financed line extension, total contributions-in-aid-of-construction shall be computed to yield to the utility not more than the total cost of extending or expanding service to the new customer(s), less the service drop credit(s). Amounts to be collected from new customers connecting to customer-financed lines shall be computed as follows:
- (1) For a period of five (5) years from the completion of construction of a line extension, reimbursement from new customers connecting to said line to customers entitled to reimbursements shall be based upon an equal sharing of the full cost of construction of the subject line extension, adjusted to the percentage used of that line extension to the point of connection (or other reasonable method employed by the company to determine the cost of the portion of the line actually used).
 - (2) For a period of ten (10) years immediately following the initial five (5) year period discussed in (1) above, reimbursement to customers entitled to reimbursements shall be based upon an equal sharing of the full cost of construction of the subject line extension depreciated at a straight line rate to zero at the end of the ten (10) year period, also adjusted to the percentage of the line extension used to the point of connection (or other reasonable method employed by the company to determine the cost of the portion of the line actually used).
 - (3) For each new transaction (defined as one or more new connections at the same time and location) involving a line that is subject to contribution-in-aid-of-construction payments for new connections within the 15-year reimbursement period, an

Effective: 7/1/91
Amended effective: 4/18/94
Amended effective: 3/1/05
Amended effective: 8/23/07
Amended effective:

Vermont
Public Service Board

Rule 8.000
Page 2 of 5

administrative fee not to exceed \$100.00 shall be retained by the company from the total amount to be reimbursed to customers entitled to reimbursements. If the total amount of all reimbursements owed for each transaction is less than the company's administrative fee, no reimbursements shall be collected or distributed.

- (4) All line extension reimbursements shall be paid by electric utilities to the current owners of the dwellings or structures served by line extensions that are subject to reimbursement payments for new connections.
- (5) In the alternative, a cable company may reduce the initial subscriber contribution in-aid-of-construction based on the number of residential and non-residential premises passed within 500 feet of the proposed cable facilities which are not participating. For non-participating premises, each non-seasonal residential premise passed shall be counted as 1/4 of a verified subscriber, each seasonal residential premise passed shall be counted as 1/10 of a verified subscriber, each commercial or institutional lodging (such as a hotel, motel, or nursing home) shall be counted as 3/4 of a verified subscriber, and each non-residential premise passed shall be counted as 1/9 of a verified subscriber. If a cable company chooses the alternative, it shall include such an alternative in its tariff and no rebate shall be required.
 - (a) For the purposes of this section, a "verified subscriber" is a person whose residence or business is in an unserved area who commits to purchase cable service from a cable company for a minimum period of two years, or a lesser period required by the cable company, or pays an amount equivalent to one year of service in advance.
 - (b) If a group of verified subscribers commits to take service from a cable company for more than a minimum three-year commitment period, then the company shall reduce the customer contribution proportionately.
 - (c) If a verified subscriber commits to provide to the cable company over the term of the commitment period a minimum annual amount of qualifying revenues that exceeds 150% of the average revenue per subscriber, then the cable company shall credit the verified subscribers' contributions proportionately. Qualifying revenues shall include revenues from all services provided to the subscriber over the facilities which provide the cable service, except revenues paid by the subscriber to non-affiliated third parties.

Effective: 7/1/91
Amended effective: 4/18/94
Amended effective: 3/1/05
Amended effective: 8/23/07
Amended effective:

Vermont
Public Service Board

Rule 8.000
Page 3 of 5

(B) Any cable company that requires the extension of lines or cables to the customer location in order to expand service into unserved areas shall provide a line extension policy conforming to this subsection.

- (1) Any line extension policy that shall require contributions in-aid-of-construction shall not require a contribution in excess of the amount required by the following formula:

$$A = (C / N) * (1 - (N / (H * L)))$$

where A is the dollar contribution from each new customer; C is the actual cost of the line extension; N is the number of verified subscribers on the extension who will be making the contribution in aid of construction; L is the length of the extension in miles; and H is a number designated by the cable company's tariff representing the number of verified subscribers per mile, counting all the miles proposed on the extension, above which the company will not require a contribution-in-aid-of-construction.

- (2) No line extension policy filed in accordance with this section shall specify a value for H in excess of a maximum number established by the Board. The maximum value for H shall be 16 for a period of at least three years after the adoption of this rule, and thereafter may be re-set by the Board after notice and opportunity for comment not more frequently than once every three years.
- (3) Upon request of a person in an unserved area within a cable company's franchise area, the cable company shall provide an estimate of the cost of a line extension and shall assist the requesting person in canvassing potential customers in the surrounding area. The final customer contribution required shall not be more than 10% in excess of the estimate provided.
- (4) Unless otherwise requested, cable companies shall develop cost estimates assuming a standard aerial drop of 300 feet from the pole for each dwelling serving each verified subscriber. Each verified subscriber shall be responsible for its own additional costs for installation of any nonstandard service drop unless participating verified subscribers and the cable company agree to divide the cost of non-standard service drops among the group of verified subscribers requesting service.
- (5) A cable company may require additional customer charges for installing underground lines, but any cable company that does so shall exclude underground lines when developing a value for C. Such extraordinary costs shall be allocated among the verified subscribers.

Effective: 7/1/91
Amended effective: 4/18/94
Amended effective: 3/1/05
Amended effective: 8/23/07
Amended effective:

Vermont
Public Service Board

Rule 8.000
Page 4 of 5

- (C) Any company that provides cable services over facilities which it uses to provide telecommunications or other non-cable services and which does not require the construction of new cables or lines in order to expand service into unserved areas shall provide a policy on expansion of cable service into unserved areas conforming to this subsection.
- (1) Any expansion of service policy shall provide for a maximum ratio of verified subscribers to served lines or premises in a project area that defines when the cable company shall provide an expansion of service without requiring customer aid in expansion. This ratio shall be not more than a default ratio established by the Board after notice and opportunity for comment, and which, after it is first established, may be re-set by the Board after notice and opportunity for comment not more frequently than once every three years.
- (2) A "served line or premise" is a line over which or a premise to which a company already provides any non-cable retail or wholesale service using facilities that can also be used to provide cable services. A company may make calculations under this subsection using either served lines or served premises, but shall use exclusively one or the other. A "project area" is an area which can be upgraded to offer cable services, including investments in facilities in common to the area which would benefit from the upgrade. A project area shall be defined at the request of a customer or in advance by the company by reference to its customary engineering practices.
- (3) When a verified subscriber or group of verified subscribers requests an expansion of service into a project area, the cable company shall calculate the cost of the expansion, and calculate a cost per verified subscriber making the request by dividing the cost of the expansion by the number of verified subscribers participating in the request. When calculating the cost of the expansion, the cable company shall multiply C, the average cost per served line or premise, specified in the company's tariff, by the number of served lines or premises in the project area. However, the company shall reduce the number of served lines or premises by the number of verified subscribers divided by H, the ratio of verified subscribers to served lines or premises, above which the company does not require a contribution-in-aid-of-expansion, specified in the company's tariff. This calculation can be summarized by the following formula:

$$A = (C * (L - (N / H)) / N)$$

where A is the dollar contribution from each new customer; C is the average cost per served line or premise to expand cable service in a project area, specified in the

Effective: 7/1/91
Amended effective: 4/18/94
Amended effective: 3/1/05
Amended effective: 8/23/07
Amended effective:

Vermont
Public Service Board

Rule 8.000
Page 5 of 5

company's tariff; N is the number of verified subscribers in the project area, who will be making the contribution-in-aid-of-expansion; L is the total number of lines or customer premises in the project area; and H is the ratio of verified subscribers per served line or premise, above which the company will not require a contribution-in-aid-of-expansion.

- (D) A cable company may specify more than one value for C or H in its tariff, based on the number of miles, lines, or premises in a proposed expansion, if there are significant differences in cost based on size or other relevant cost factors of the proposed expansion.
- (E) With a cable company's annual report, the company shall submit a report of the number of additional miles and homes served as a result of its service expansion policy.
- (F) Whenever a prospective subscriber or subscribers located in a service expansion area requests a site survey to determine the cost of bringing cable service, the cable company shall conduct a survey and inform each of the prospective subscribers of the contribution in aid of construction or expansion that may be charged. The cable company shall provide preliminary estimates within 10 business days and a final estimate within 30 days of receiving the requests. Where site surveys involve a nonconventional extension of more than three (3) ends of line and twenty (20) verified subscribers, the company may have thirty (30) days to provide an initial estimate and sixty (60) days to provide a final estimate.
- (G) The cable company shall apply for any necessary pole attachment agreements within thirty (30) days of its receipt of the contribution-in-aid-of-construction or expansion from all verified subscribers, and shall make available cable service within ninety (90) days from the receipt of the pole attachment agreements and other necessary permits by Grantee, subject to weather, Force Majeure, and the performance of make ready.
- (H) Nothing in this section shall require a cable company to expand service in the absence of a request from one or more verified subscribers. Cable companies shall maintain maps of serviceable areas.
- (I) No cable company shall be required to overbuild another company, or provide cable service to locations served by another cable company or to which another cable company is required by rule or order of the Board to extend cable television service, or to locations which another cable company has made a binding commitment to extend service within the next eighteen (18) months.

Effective: 7/1/91
Amended effective: 4/18/94
Amended effective: 3/1/05
Amended effective: 8/23/07
Amended effective:

Vermont
Public Service Board

Rule 8.000
Page 6 of 5

- (J) Every cable company shall file proposed changes to its line extension policy with the Board and the Department of Public Service at least forty-five (45) days prior to the effective date of the change, except for changes that only reduce required customer contributions in aid of construction, which may take effect immediately upon notice to the Board and the Department.